

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



June 15, 2006

Agenda ID #5748
Ratesetting

TO: PARTIES OF RECORD IN APPLICATION 04-11-011

This is the draft decision of Administrative Law Judge (ALJ) Allen. It will be on the June 29, 2006 Commission agenda meeting. The Commission may act then, or it may postpone action until later.

The draft decision of the ALJ in this matter was served on the parties in accordance with Pub. Util. Code § 311(g)(3) and Rule 77.7(f)(9) of the Rules of Practice and Procedure. Comments on the draft decision are due no later than Friday, June 23, 2006. Reply comments may not be submitted without the consent of the assigned ALJ.

When the Commission acts on the draft decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the draft decision as provided in Article 19 of the Commission's "Rules of Practice and Procedure," accessible on the Commission's website at <http://www.cpuc.ca.gov>. Pursuant to Rule 77.3 opening comments shall not exceed 15 pages.

Comments must be filed with the Commission's Docket Office. Comments should be served on parties to this proceeding in accordance with Rules 2.3 and 2.3.1. Electronic copies of comments should be sent to ALJ Allen at pva@cpuc.ca.gov. All parties must serve hard copies on the ALJ and the assigned Commissioner, and for that purpose I suggest hand delivery, overnight mail or other expeditious methods of service. The current service list for this proceeding is available on the Commission's web site, www.cpuc.ca.gov.

/s/ ANGELA K. MINKIN
Angela K. Minkin, Chief
Administrative Law Judge

ANG:hl2
Attachment

Decision **DRAFT DECISION OF ALJ ALLEN** (Mailed 6/15/2006)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of PACIFIC GAS AND
ELECTRIC COMPANY, a California
Corporation, for a Permit To Construct the
Lakeville-Sonoma 115kV Transmission Line
Project Pursuant to General Order 131-D.
(U 39 E)

Application 04-11-011
(Filed November 17, 2004)

ORDER GRANTING PERMIT TO CONSTRUCT

We grant the request of Pacific Gas and Electric Company (PG&E) for a Permit to Construct to upgrade the electric transmission system in southern Sonoma County by installing a new 115 kilovolt (kV) circuit between the existing Lakeville Substation near Petaluma and the existing Sonoma Substation in Sonoma, consistent with the Final Mitigated Negative Declaration (Final MND) prepared pursuant to the California Environmental Quality Act (CEQA).

The Project

According to PG&E, upgrading of the transmission system is needed to address low voltage and reliability problems that could result in system overloading, equipment damage, and power outages in and around the cities of Napa and Sonoma. The final configuration of the project proposed by PG&E, reviewed for environmental impacts, and approved by this Commission consists of approximately 7.23 miles of 115 kV single circuit transmission line between the Lakeville and Sonoma Substations. The new line will create a second circuit on

PG&E's existing single circuit 115 kV transmission line route linking the same two substations.

The two circuits will be collocated on a single set of poles. The existing single circuit wood pole line will be replaced by a double circuit pole line on a combination of tubular steel and wood poles.¹ Of the 119 existing poles (118 wood and one tubular steel), 11 will be "topped" (shortened to become distribution-only poles), and the remainder will be replaced by 91 poles (26 wood and 65 tubular steel), a reduction of 17 poles. The height of the new poles will range from approximately 50 to 100 feet.

The route of the new double circuit line will generally follow the same alignment as the existing single circuit line. The route will run from Lakeville Substation, parallel Adobe Road for approximately 1.2 miles, and then pass northeast through vineyards and ranch lands for approximately 3.6 miles. The line would then roughly parallel Felder Road for approximately 0.8 miles from the junction of Felder Road and Felder Creek east to the junction of Felder Road and Leveroni Road, and then continue approximately 1.7 miles along Leveroni Road to the Sonoma Substation. The last 3,060 feet of the new transmission line along Leveroni Road (from approximately Fifth Street West to Sonoma Substation) will be undergrounded. The existing transmission line will not be undergrounded. Modification of the two substations will also be necessary in order to accommodate the new circuit.

¹ Wood poles will be used along Leveroni Road for safety reasons, as steel poles could cause induction problems due to an existing gas transmission line in that area.

Procedural Background

PG&E filed its application, along with a Proponent's Environmental Assessment, on November 17, 2004. On December 23 and 24, 2004, the Commission received protests to the application from the Sonoma Mountain Institute, Rancho Petaluma, LLC, and John Saemann. Mr. Saemann subsequently withdrew his protest.

On April 13, 2005, PG&E amended its application. The Commission received protests to the amended application from the Sonoma Mountain Institute, Rancho Petaluma, and the Sonoma County Agricultural Preservation and Open Space District. Rancho Petaluma subsequently withdrew its protest.

Commission staff prepared and issued for comment a Draft Mitigated Negative Declaration (Draft MND) on December 9, 2005. Comments on the Draft MND were received from Sonoma Mountain Institute, the Sonoma County Agricultural Preservation and Open Space District, PG&E, and the California Department of Transportation Division of Aeronautics.

PG&E filed and served a motion of January 24, 2006, seeking leave to amend the project description to include the undergrounding of the line along Leveroni Road. No responses to the motion were received.

Commission staff issued the Final MND (State Clearinghouse #2005122042) for the project on March 23, 2006.

The assigned Administrative Law Judge (ALJ) held a pre-hearing conference (PHC) on April 12, 2006. The only parties to attend were PG&E and Rancho Petaluma. At the PHC, the ALJ granted PG&E's motion to amend its project description, and Rancho Petaluma confirmed its withdrawal of its protest. No party submitted a written PHC statement. No party at the PHC requested evidentiary hearings or briefing. The ALJ allowed for parties not

present at the PHC to request briefing or other additional process (such as evidentiary hearings), but no such requests were received. No evidentiary hearings were held.²

California Environmental Quality Act

Under CEQA, the Commission is the lead agency for this project. Accordingly, the Commission is responsible for preparing an appropriate environment document, such as an EIR or negative declaration, for the project. (CEQA Guideline 15050(a).) The Commission has prepared a mitigated negative declaration (previously referred to as the Final MND).

Before granting approval of this project, the Commission must consider the Final MND. (CEQA Guideline 15004(a).) The Commission has done so. We find that the Final MND was prepared in compliance with CEQA, and we adopt it in its entirety, and incorporate it by reference in this decision approving the project.

The Final MND finds that approval of the project will have no impact, or less-than-significant impact, in the areas of Geology, Soils, and Seismicity; Hydrology and Water Quality; Mineral Resources; Population and Housing; and Land Use and Planning. The Final MND finds that approval of the project would have potentially significant impacts in the areas of Aesthetics; Agricultural Resources; Air Quality; Biological Resources; Cultural Resources; Health and Hazardous Materials; Noise; Public Services; Recreation; Transportation and Traffic; and Utilities and Service Systems. However, the

² We confirm the categorization of this proceeding in Resolution ALJ 176-3142 as ratesetting and not requiring hearings.

Final MND also finds that each of the identified impacts can be mitigated to avoid the impact or reduce it to a less than significant level, and PG&E has agreed to the applicable mitigation measures. Full descriptions of the Mitigation Monitoring, Reporting and Compliance Plan are included in Appendix G of the Final MND, and a complete but condensed presentation of the environmental impacts and mitigation measures of the project is contained in Table ES-1 of the Final MND.

Comments

On June 9, 2006, PG&E filed and served a motion requesting a shortened comment period on the draft decision. According to PG&E's motion, Rancho Petaluma LLC and the Sonoma County Agricultural Preservation and Open Space District have stipulated to a shortened comment period, but PG&E was unable to reach counsel for the Sonoma Mountain Institute.

The assigned ALJ shortened the time for responses to PG&E's motion for a shortened comment period to June 13, 2006. No responses to PG&E's motion were received.

According to PG&E:

The Lakeville-Sonoma 115 kV Transmission Line Project must be operational by summer of 2007 in order to provide an essential source of power that will relieve low voltage and reliability problems that currently exist in the portion of the electrical system serving the cities of Sonoma and Napa and surrounding areas...Outages or low voltages could be especially devastating if they were to occur late in the summer when there is an increase in customer electricity demand due to hot temperatures and the wine industry's grape harvest during the crush season.

PG&E has scheduled construction to meet this critical demand, but has also designed its project to avoid or minimize impacts to the California red-legged frog, a federally threatened species. A majority

of the ground-disturbing work on the project must be completed outside of the rainy season in order to comply with the U.S. Fish and Wildlife Service's protocols for protecting this species.

For this reason, PG&E must begin construction no later than July 10, 2006 in order to complete construction by summer 2007. If construction does not begin by July 10, 2006, PG&E will be forced to delay construction of critical portions of the project until spring 2007, thereby delaying project completion by approximately one year. This delay will jeopardize PG&E's ability to provide reliable power to the cities of Sonoma and Napa, and surrounding areas, during the critical peak usage months of summer and fall 2007. (Motion of PG&E, pp. 2-3, emphasis in original.)

As described above, at the PHC, no party opposed the project or requested evidentiary hearings or briefing, and no party availed themselves of the opportunity provided by the assigned ALJ to request hearings or briefing after the PHC.

PG&E requests that the comment period be shortened pursuant to Commission Rule 77.7(f)(9), which allows for a reduced comment period:

for a decision where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment. For purposes of this subsection, "public necessity" refers to circumstances in which the public interest in the Commission adopting a decision before expiration of the 30-day review and comment period clearly outweighs the public interest in having the full 30-day period for review and comment. "Public necessity" includes, without limitation, circumstances where failure to adopt a decision before expiration of the 30-day review and comment period would place the Commission or a Commission regulatee in violation of applicable law, or where such failure would cause significant harm to public health or welfare. When acting pursuant to this subsection, the Commission will provide such reduced period for

public review and comment as is consistent with the public necessity requiring reduction or waiver.

We grant PG&E's request for a shortened comment period, based upon the facts described above, and the analysis PG&E set forth in its motion:

In this case, there is a clear public interest in the Commission adopting a decision before expiration of the usual comment period, as such a decision would allow PG&E to maintain reliable electric service for thousands of customers and result in greater levels of protection for protected species. The public's interest in these results clearly outweighs any public interest in having the full 30-day review period, particularly given that the application is essentially uncontested, two of the three parties have already stipulated to that result, and all parties have had the opportunity to fully participate in the Commission's process to date. Moreover, delay of the decision beyond June would "cause significant harm to public health or welfare" because it would prevent PG&E from completing the project on time and in the most environmentally protective manner possible. For these reasons, public necessity requires reduction of the comment period pursuant to Rule 77.7(f)(9). (Motion of PG&E, p. 4.)

The draft decision of the ALJ in this matter was served on the parties in accordance with Pub. Util. Code §311(g)(3) and Rule 77.7 of the Rules of Practice and Procedure. Comments on the draft decision are due no later than Friday, June 23, 2006. Reply comments may not be submitted without the consent of the assigned ALJ. Comments were received from _____.

Assignment of Proceeding

Geoffrey F. Brown is the Assigned Commissioner and Peter V. Allen is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The proposed Lakeville-Sonoma 115kV Transmission Line Project would upgrade the electric transmission system in southern Sonoma County by installing a new 115 kilovolt (kV) circuit between the existing Lakeville Substation near Petaluma and the existing Sonoma Substation in Sonoma.
2. The Commission staff has prepared a Final Mitigated Negative Declaration for the project.
3. The Commission has considered the contents and conclusions of the Final Mitigated Negative Declaration.
4. The Final Mitigated Negative Declaration finds that approval of the project will have no impact, or less-than-significant impact, on the environment in several areas, and to the extent that approval of the project would have potentially significant impacts in other areas, it finds that each of the identified impacts can be mitigated to avoid the impact or reduce it to a less than significant level.
5. PG&E has agreed to the mitigation measures contained in the Final Mitigated Negative Declaration.
6. With the adoption of the mitigation measures contained in the included in the Final Mitigated Negative Declaration, the project will not have a significant effect on the environment.

Conclusions of Law

1. The preparation and contents of the Final Mitigated Negative Declaration for the Lakeville-Sonoma 115kV Transmission Line Project comply with the requirements of CEQA.
2. The Final Mitigated Negative Declaration for this project should be adopted in its entirety, and incorporated by reference in this decision.

3. The Lakeville-Sonoma 115kV Transmission Line Project, as described in the Final Mitigated Negative Declaration, should be approved.

O R D E R

IT IS ORDERED that:

1. The Final Mitigated Negative Declaration for the Lakeville-Sonoma 115 kilovolt (kV) Transmission Line Project is adopted and incorporated by reference in this decision.

2. The Mitigation Monitoring, Reporting and Compliance Plan in the Final Mitigated Negative Declaration is adopted.

3. Pacific Gas and Electric Company is authorized to construct the Lakeville-Sonoma 115kV Transmission Line Project as described in the Final Mitigated Negative Declaration, subject to the mitigation measures and other conditions set forth in the Final Mitigated Negative Declaration.

4. Application 04-11-011 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the filed document is current as of today's date.

Dated June 15, 2006, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

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Last Update on 12-APR-2006 by: LIL
A0411011 LIST

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